

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Amendment of Part 2 of the)	
Commission's Rules to Allocate)	
Spectrum Below 3 GHz for Mobile and)	ET Docket No. 00-258
Fixed Services to Support the)	
Introduction of New Advanced Wireless)	
Services, including Third Generation)	
Wireless Systems)	
)	
Amendment of Section 2.106 of the)	
Commission's Rules to Allocate)	
Spectrum at 2 GHz for Use By the)	ET Docket No. 95-18
Mobile-Satellite Service)	
)	
The Establishment of Policies and)	
Service Rules for the Mobile-Satellite)	IB Docket No. 99-81
Service in the 2 GHz Band)	
)	
Petition for Rule Making of the Wireless)	
Information Networks Forum)	
Concerning the Unlicensed Personal)	RM-9498
Communications Service)	
)	
Petition for Rule Making of UTStarcom,)	
Inc., Concerning the Unlicensed)	RM-10024
Personal Communications Service)	

To: The Commission

REPLY COMMENTS OF TELEPHONE AND DATA SYSTEMS, INC.

Telephone and Data Systems, Inc., on behalf of itself and its subsidiary, U. S. Cellular Corporation,¹ (collectively "TDS"), by its attorneys, submits its reply

¹ U.S. Cellular Corporation provides cellular systems serving approximately 17% of the land area and approximately 9% of the population of the United States (approximately 24.1 million people).

comments in response to the Commission's *Memorandum Opinion and Order and Further Notice of Proposed Rulemaking* ("MO&O and FNPRM") released on August 20, 2001 with regard to possible new advanced terrestrial wireless ("3G") services in frequency bands not identified in its original *Notice of Proposed Rulemaking* released last January in this proceeding, including those designated for the Mobile Satellite Service ("MSS"), the Unlicensed Personal Communications Service ("UPCS"), the Amateur Radio Service, and the Multipoint Distribution Service ("MDS").

* * *

We agree with AT&T Wireless Services, Inc., Cingular Wireless LLC, and Verizon Wireless that the following reallocation proposals taken together provide reasonable development options for essential advanced territorial wireless ("3G") services during the next three to four years:

1. Create 1710-1770 MHz and 2110-2170 MHz band pairing for essential 3G uses;
2. Relocate the MDS licensees in the 2150-2162 MHz band to alternative spectrum;
3. Reallocate immediately a minimum of 14 MHz of 2 GHz MSS spectrum in the 1990-2025 MHz and 2165-2200 MHz bands for terrestrial 3G uses;

4. Reallocate abandoned (for failure to meet construction and other milestones) or relinquished 2 GHz MSS spectrum for auction to terrestrial wireless carriers; and
5. Reallocate the 2390-2400 MHz band as replacement spectrum for incumbent licensees.

The Commission should also consider development of expanded spectrum efficient uses of the 1910-1930 MHz band for other technologies including the proposals of WINFORUM² and UTStarcom, Inc. For example, the proposal submitted by UTStarcom for low mobile and voice services in the 1910-1920 MHz band to serve rural and underserved areas is potentially promising and should be given a practical opportunity for deployment in such areas.

* * *

In the remainder of these reply comments, we discuss arguments raised by MSS and MDS industry participants opposing the proposed reallocations in the 2150-2162 MHz, 1990-2025 MHz and 2165-2200 MHz bands.

1. Contrary to the Arguments of MSS Industry Participants, 2 GHz MSS Spectrum Should Be Reallocated for Terrestrial 3G Uses to Enhance Opportunities for Services to Rural and Underserved Areas.

Several commentors including TMI Communications Company LP ("TMI") have claimed erroneously that "reallocation of MSS spectrum to terrestrial mobile operators" will mean that it "...will never be used to provide services to remote and

² Wireless Information Networks Forum ("WINFORUM").

underserved areas."³ The Boeing Company ("Boeing") and Lockheed Martin Corporation ("Lockheed") and the Satellite Industry Association ("SIA") make similar claims.⁴ All of these unsupported claims should be rejected. The urgent need for additional spectrum for the regional and rural terrestrial wireless carriers serving such remote and underserved areas is already well documented. See the Comments of U.S. Cellular Corporation dated May 15, 2001, in GN Dkt. No. 01-74, Attachments A and B. See also the NTCA 2000 Wireless Survey Report of the National Telephone Cooperative Association released in September 2001 describing the impediments that these rural local exchange carriers face in attempting to expand their wireless networks.⁵

2. Abandoned 2 GHZ MSS Spectrum Should Not Be Retained For Possible Use By Existing or Possible New Entrant MSS Operators.

The Comments of several MSS operators argue for "reservations" of spectrum so that any abandoned spectrum is reassigned to the remaining 2 GHz MSS licensees.⁶ "Flexible" assignments are also proposed to permit multiple MSS licensees to claim to meet their milestones by sharing "a single platform."⁷ If adopted, the "reservation" proposals could be used by MSS licensees to block for long periods, or possibly even indefinitely, the auctioning of abandoned spectrum. Likewise, the "consolidation" proposal could achieve the same result even though an

³ TMI Comments, p.6.

⁴ Boeing Comments, pp. 9-14, Lockheed Comments, pp. 5-6 and SIA Comments, pp. 7-8.

⁵ As confirmed in this Report, the population density in most NTCA member service areas is in the 1 to 5 customers per square mile range. (NTCA Report, p.4).

⁶ Constellation Comments, pp. 11-13, Boeing Comments, p.6, TMI Comments, p.7.

⁷ Constellation Comments, p. 14 and TMI Comments, pp. 8-9.

MSS licensee has failed to construct the satellite system on which Commission grant was originally based. In circumstances where there is already strong evidence that MSS operations as originally proposed are not viable, the Commission should not compromise the marketplace discipline implicit in requiring each MSS licensee strictly to comply with applicable milestones with the penalty of losing spectrum rights. Abandoned spectrum should be auctioned to ensure that it will be devoted to its best use.

3. Contrary to the Claims of Sprint and Worldcom the 2150-2162 MHZ Band Should Not Be Retained for MDS Operations.

Withholding the 2150-2162 MHZ band from 3G uses as proposed by Sprint Corporation ("Sprint") and Worldcom, Inc. ("Worldcom")⁸ would unreasonably limit and disrupt the most promising of the Commission's remaining spectrum options for developing 3G uses. The Commission's evaluation of suitable spectrum for 3G uses is focusing on the allocation of paired spectrum in the 1710-1770 MHZ and 2110-2170 MHZ bands. With the Commission's removal of the 2500-2690 MHZ band used for MMDS/ITFS uses from the list of bands which might accommodate 3G uses and with the NTIA Statement released October 5, 2001 removing the 1770-1850 MHZ band from consideration for 3G uses, the Commission has only the 1710-1770 MHZ and 2110-2170 MHZ bands to provide for near term 3G uses. The Commission should act expeditiously to reallocate 2150-2162 MHZ to implement this paired spectrum plan, should give incumbent MDS licensees access to

⁸ Sprint Comments, p.2 and Worldcom Comments, p.4.

comparable replacement spectrum and should develop procedures to compensate them fairly for relocation costs.

Conclusion

TDS urges the Commission to act promptly to create expanded spectrum for 3G uses including but not limited to the 1710-1770 MHz and 2110-2170 MHz bands. Ultimately the terrestrial wireless industry will need a minimum of 160-180 MHz of additional 3G spectrum. With the October 5 NTIA Statement removing the 1770-1850 MHz band from current consideration for 3G uses, the Commission should now look to the 1990-2025 MHz band and 2165-2200 MHz bands to make abandoned MSS spectrum available for auction to terrestrial wireless carriers at the earliest possible opportunity.

Respectfully submitted,

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